

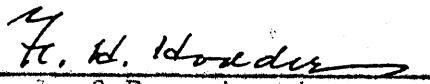
THE GENESIS  
OF THE MISSOURI PACIFIC RAILROAD

by

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## CHAPTER I

### Introduction.

The Missouri Pacific Railway has been the object of numerous jests but, nevertheless, its significance in the historical development of the State of Missouri and of transcontinental systems of railroads has been great. Its more particular influence was felt during the period between the years of 1849 and 1880, and it will be the purpose of this paper to trace that influence as shown by the history of the Missouri Pacific Railway as it developed during those early years.

In the Atlantic Seaboard States railroads had grown to the then considered enormous proportions. In fact, all sorts of internal improvements had been made. It is not amazing, then, that the internal improvement fever had spread into those states which lay between the Appalachians and the Mississippi River, especially in the construction of railroads and canals. Nevertheless, there was a great deal of agitation against the building of railroads. The problem was a novel one, and as always with new problems, the masses were not willing to accept this one as worthy of extensive development. Frequent editorials appeared in the Railroad Journal with the title: "Are we building too many Railroads?"; and the

tenor of these editorials was largely the same. Thus, it remained for the pioneers to see the vision in railway construction.

In order that a better understanding may be had relative to railroad construction in the Middle West it might be well to give a brief summary of the development of railroad building in the eastern states. The first railroads constructed in the United States were the Quincy Railroad in Massachusetts, designed for the transportation of granite; and the Mauch Chunk Railroad in Pennsylvania, a coal road. Both of these were opened in 1827, and they bore pretty much the same relation to the railroad system of this country as did the tram roads to the English railroads. The first of these was but six miles long, and the other nine miles, but nevertheless, they deserve the credit for being the pioneers.

The first road of any considerable magnitude opened in this country was the Baltimore and Ohio, which was chartered in 1827, commenced July 4, 1828, and opened for a short distance in 1830. In December, 1831, it was opened for a distance of sixty miles. The only roads in addition to the above in operation January 1, 1832, were the Charleston and Hamburg Railroad for a distance of twenty miles, and the Albany and Schenectady Railroad, for a distance of twelve miles, -making the whole extent in use, 107 miles. However, at this time, there were

nineteen railroads having 811 miles of road under construction.<sup>1</sup>

The growth of 1840 was more astounding than ever. The number of railroads had increased to 181. The number of miles in actual operation was 3,333-1/2. And, the total length of projects was 9,378-1/2 miles. At this time, Pennsylvania led with 38 railroads, having a total of 576 miles in operation. New York was second with 28 railroads, having 453 miles in operation.<sup>2</sup>

The next decade saw the mileage of railroads in operation more than doubled. The total for the 24 states was 8,680 miles. New York headed the list this time with 1,409 miles. Massachusetts held second place with 1,042 miles, while Pennsylvania's 913 miles entitled her to third place. The other states ranked as follows: Georgia, 664 miles; Ohio, 590 miles, New Hampshire, 471 miles; Connecticut, 450 miles; Vermont, 336 miles; New Jersey, 332 miles; Maryland, 315 miles; Virginia, 306 miles; Maine, 257 miles; South Carolina, 270 miles; North Carolina, 249 miles; Indiana, 226 miles; Illinois, 118 miles; Alabama, 112 miles; Louisiana, 89 miles; Kentucky, 77 miles; Rhode Island, 61 miles; Mississippi, 60 miles; Michigan, 35 miles; and Wisconsin, 20 miles.<sup>3</sup>

It was during this decade of 1840-50 that much attention was paid to railroads in Missouri, and the close

1-Railroad Journal, Vol. 24, Page 9.

2-Ibid., 10.

3-Ibid., 22.

of the period marks the beginning of the railroad which is the subject of this paper. The State of Missouri had grown rapidly in these ten years,- its population had shown an increase of over 80 per cent,- 383,702 to 782,044.<sup>4</sup> Comparatively, the total population of the United States had increased but 35 percent. In consequence, agitation for the extension of the convenience and necessity of the better transportation as provided by the railroads had also increased. However, the emphasis regarding trans-continental lines had begun to change. Mr. Cotterill in the Missouri Historical Review for July, 1918, says that "between 1840 and 1850, the fight between the North and the South was a commercial battle in which the weapon was the railroad, - the prize, the Western trade. But, the opening of Chinese ports to our trade, the acquisition of Oregon, the gaining of Texas, Mexico and California, and the discovery of gold broadened our horizon while it set a new goal for our economic endeavors. The weapon remained the railroad,- but the prize was not the trade of the Mississippi Valley,<sup>5</sup> but that of the Pacific and the Far East."

Thus, the opening of the ports in 1843 was the event which first turned men's thots to a Pacific Railroad. With Asiatic trade in mind Asa Whitney in 1845 petitioned Congress for a land grant sixty miles wide

4-World Almanac, 1923, 321.

5-Missouri Historical Review, July 1918, Vol. XII, 203.

across the continent from Lake Michigan to Puget Sound for the purpose of building a railroad.<sup>6</sup> Shortly afterwards, Maury proposed his plan of a road from Memphis to San Diego or Monterey, while Benton instituted the idea for the line from St. Louis to San Francisco. This last scheme was presented to Congress in February, 1849.<sup>7</sup> In these three proposals we have the basis for the rivalry of the three cities for the terminus of the Pacific railroad, - Chicago, Memphis, and St. Louis.

At any rate, those far-seeing pioneers who had the vision to see a future for Missouri, also saw the advantage of making their St. Louis the eastern terminus for the proposed Pacific railroad. St. Louis seemed the most logical location of the basis of operations. It was destined to become the great city of the West, as evidenced by her situation, her commercial facilities, and rapid growth. In 1835 it was but an insignificant village, but by 1850 it was a mighty city, extending commerce far and wide, its influence felt throughout the Mississippi Valley. The population in 1835 was 9,000, in 1840, 14,000, and in 1850, 90,000,- increasing at the rate of 10,000 annually. Imports for the last named year were valued at \$25,000,000 and commerce totaled \$50,000,000. Steamboat tonnage was larger than that of any city west of the mountains, and manufacturing

6-Cong. Globe, 2nd Sess. 28 Cong., 218.

7-Ibid., 30 Cong., 473.

interests were great and increasing daily. This is a summary as given by the Railroad Journal of August, 1851.<sup>8</sup> And thus, was there not reason for the people of Missouri and especially of St. Louis to believe in this growing metropolis of the West?

In further commenting, the Journal boasts that "St. Louis, as the eastern terminus of the Pacific railroad, gives us more adequate idea of her importance, and when completed will become a city rivaling even New York. In the center of this vast republic, commerce will extend north, east, south, and west, and enable her to assume the supremacy to which her energy and perseverance in infancy have given her so just a claim. Future success depends upon the progress of the Pacific railroad. That road will be a part of the great highway to the golden shore of the Pacific Ocean, and just as surely as a mighty river deposits at its mouth the alluvion collected in its thousand miles of progress, just so surely will wealth and prosperity flow into St. Louis through this channel. Commerce, the vital element of cities, and nations will experience a rapid and steady increase, and St. Louis will control the destinies of the surrounding country. This is not an imaginative sketch, but is founded on the experience of the past. History shows how cities rise and why they decline, and not even Rome,



long mistress of the world, possessed at such an early period after its settlement, so many elements of prosperity and rising greatness as are now combined in the city of St. Louis." <sup>9</sup>

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As has been mentioned before, proposals for the three routes to the Pacific had been made. Whitney's scheme petitioned for a northern route, Maury had presented plans for a southern route, and Benton, of St. Louis, had advocated a central route. Thereupon a contest was assured, and each section arrayed their forces in anticipation of the struggle. In 1848, the Missouri legislature had met and had granted charters to six railroads." Among these six was the Pacific Railway Company which was the progenitor of the Missouri Pacific Railway Company, and with this, the history of the Missouri Pacific is begun. In order to eliminate any possible confusion as might result from similarity of names, the forerunner of the Missouri Pacific will be known in this paper as the Pacific Railway Company, as distinguished from the Pacific railroad,- this last being the proposed road to the Pacific.

During 1849, the West was more interested in the Pacific railroad than in any other subject of the time. Naturally, because of the contest between sections for

9-Ibid.

10-Ante, page 7.

11-Missouri Historical Review, Vol. VII, 148.

12-Ibid., Vol. XII, 204.

the terminus of the road, it occurred to the West to hold a convention to consider the subject. "The idea was not new; in 1845 a great Southern and Western convention had been held at Memphis to deliberate on the navigation of the Mississippi River; and in 1847 a River and Harbor convention had been held in Chicago. The West was accustomed to the idea of holding conventions to deliberate on economic questions. The first impetus was given by the Arkansas legislature, which early in January, 1849, passed resolutions urging a convention at Memphis in April. Memphis sent out a call for a convention to be held in that city, July 4. Thereupon, St. Louis was at once spurred to action before Memphis<sup>13</sup> should sweep the field."

Consequently, in April, a mass meeting was held in St. Louis to initiate the movement for a convention. The mayor presided over the meeting, and after preliminary resolutions, a committee of twenty-five was appointed to prepare an address to the people of the United States. In a few days the address appeared in the St. Louis<sup>14</sup> "Reveille" setting forth the merits of St. Louis as a terminal city and urging the convention to further her claims. Nothing more was done, however, until in June. "On the fourth of that month a mass meeting was held in the city, resolutions adopted, committees appointed, and

13-Missouri Historical Review, Vol. XII, 205.  
14-Ibid.

the agitations begun anew. The convention was to be called October 15." Memphis had set a similar date, but to avoid a conflict, postponed her convention until later. In St. Louis the ravages of cholera mixed with the excitement of local politics rather interfered with the spirit of the people for the convention. Finally, on the ninth of September, the cholera being gone and politics somewhat mitigated, a mass meeting was held in the Court House to consider the question again. The committee of twenty-five, appointed in April, reported that its labors had been interfered with. Nevertheless, it had sent out two thousand copies of the address to the people, as well as special invitations to congressmen, governors, mayors and leading citizens. It also had a sub-committee at work preparing plans and maps. The meeting appointed on Arrangement, Reception, Finance, and appointed delegates to the Convention, and adjourned<sup>15</sup> to meet again on the third Monday in September.

In connection with the St. Louis Convention there was a meeting held in Chiago, October 4, 1849, to select delegates to the convention. The leading figure of this meeting was Senator Stephen A. Douglas. It was at this time that he submitted a series of resolutions which were adopted at the meeting, and were the embodiment of what was afterwards known as the "compromise

15-Missouri Historical Review, Vol. XII, 206.

plan. The resolutions were six in number, and in substance approved the plan of a Pacific railroad, but suggested that the route should be determined by a survey, thus laying aside all local and sectional feelings. However, as a result of previous explorations, the best route was deemed to be thru the South Pass from Council Bluffs. This contention was substantiated by seven reasons: South Pass is the only practicable pass; it has a central location; Council Bluffs is the nearest navigable point on the Missouri River to South Pass; it is connected by steamboat lines to all cities on the Missouri and Mississippi Rivers; it is beyond the limits of a state and thus within the constitutional right of Congress to determine as a terminus; it is a central and convenient point; and finally, the whole line will be in territories under Congress. The resolution further recommended the construction of privately built branches to Chicago, St. Louis, and Memphis. Contemporary opinion recognized the importance of these resolutions in that they were compromise measures. It also predicted that the West would unite in supporting the resolutions. "To our minds," says the Journal, "the probabilities are that a scheme similar to the one proposed will unite the extreme West, and that if this section could have the power, the eastern terminus would be a matter of bargain between different quarters of that country. This proves conclusively at

this early day that the decision of the question should never be a matter of bargain and sale by politicians of the country, but should be entrusted to a body of men competent to decide, and who have no personal interest in the results of their decision." <sup>16</sup> But, such grandiose ideals did not seem to permeate the principles of the promoters of the various routes, and the contest continued.

October 15, 1849, the National Railroad Convention was called to order in St. Louis. Ten states were represented and 830 delegates were in attendance. Of these 453 were from Missouri and Illinois. Indiana, Kentucky, Pennsylvania, New York, Iowa, Wisconsin and Michigan were the remaining states represented. Later on, delegations from Louisiana, Tennessee and Virginia appeared, bringing the total of delegates to 889. On the second day of the Convention, Douglas, who headed the Chicago delegation, was elected President. The proceedings of the meetings showed conclusively that the advocates of the different routes had come to St. Louis with the purpose of securing the endorsement of the Convention for their own plans. Consequently, the struggle was bitter between St. Louis and Chicago. <sup>17</sup>

The most important single event of the Convention, with reference to the subject of this paper, was

16-Railroad Journal, Vol. XXII, 659.

17-Missouri Historical Review, Vol. XII, 210.

the speech made by Douglas. He was called upon and replied in a speech two hours in length, delivered in the most irritating manner. He differed from Colonel Benton, who had made a speech, as to the practicability of Fremont's route and asserted that the only practicable road would be the South Pass. If St. Louis could demand Government aid for a railroad west through Missouri, Illinois might with as good grace petition for Government aid to extend it to Vincennes or Cincinnati. It was not very good taste, he added, for Missouri to ask aid in railroad building when she had never built a mile by her own efforts.

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It was this last remark which fired the Missourians to action. The next morning, the St. Louis papers attacked Douglas with bitterness, and in the Convention itself, the struggle was intense. Thereupon, Douglas tendered his resignation of the chair, and gave as his reasons the criticisms of the St. Louis papers, and his duties as a delegate. He named Mr. Geyer, of Missouri, as his successor, and the Convention elected him. It was Geyer who later replaced Benton in the Senate, and personal animosity had begun to brew even at this time between the two.

The last work of the Convention was the passing of resolutions of recommendation. A committee had been appointed who reported a draft of generalities, chief of

which was that the route of a Pacific railroad should be determined by survey. This brought a storm of opposition, and the Douglas men offered substitute resolutions to the effect that it was the duty of the Government to build a central and national railroad from the valley of the Pacific, and that this trunk road should have branch lines to Chicago, Memphis, and St. Louis. These were unanimously adopted, and marked definitely the triumph of Douglas over Benton, and this was what the former had come to St. Louis to achieve.<sup>19</sup>

However, the significance of the St. Louis Convention lies in the fact that the people of Missouri began to realize that despite the possibilities of their growing city and the surrounding country, it was incumbent upon them to do more than plead for the terminus,-- they must actually begin construction of a railroad which would be incorporated as a link in the chain of the proposed Pacific road! From this time on until the contest was settled, this fact was the guiding star of all their efforts.

## CHAPTER II

## Organization of the Pacific Railway Company.

March 12, 1849 the act definitely incorporating the Pacific Railway Company was approved by the Missouri legislature. This act gave to the Pacific Railway Company the power to construct a railroad from the city of St. Louis to the city of Jefferson, and thence to some point on the western line of Jackson County, Missouri. However, not until January 31, 1850, did the Company organize itself at St. Louis. At that meeting there were present the men who were named as directors in the act of incorporation. The names of these men are as follows: John O'Fallon, James H. Lucas, Edward Walsh, George Collier, Daniel D. Page, James B. Yeatman, Joshua O. Brant, Thomas Allen, Adolphus Mier, Adam L. Mills, and Wayman Crow. A report was made by Thomas Allen in which he emphasized the utility and profits of the proposed road, and urged the necessity of early commencement and energetic prosecution to a consummation. After a motion, made by Mr. Lucas, for organization, Colonel John O'Fallon was made the first President of the Company, Thomas Allen, Secretary, and Daniel D. Page, Treasurer. Thereupon Mr. Allen asked that a committee of three be appointed to prepare a



memorial to Congress praying for a donation of alternate sections of land along the route of the proposed road. It was also decided that there be a committee of three to open books for subscription to the capital stock of the company: the books were to be opened Monday, February 4, and continue for six days in the rooms of the Merchants Exchange. It was at this time that pledges for stock subscription were signed by the directors. Mr. Lucas headed the list with \$33,300; Mr. O'Fallon promised to subscribe \$33,400; Mr. Page, \$33,300; Mr. Allen, Mr. Walsh, Mr. Brant, and Mr. Collier, each \$10,000; Mr. Yeatman and Mr. Mills, each \$5,000; Mr. Crow, \$2,500; and Mr. Mier, \$1,500. The total was \$187,400, 1874<sup>1</sup> shares.

Mr. Allen's report deserves more attention because of the fact that a little later, Mr. Allen was the prime factor in making the road a success, and in this address, given at the first meeting, is laid down again the principle of furthering the claim of St. Louis to the eastern terminus of the proposed Pacific railroad. "Geographically," he says, "we occupy a central position, and possess the advantage of being at the convergence of several navigable water courses. Nature has done much for us; and it is precisely because she has done so much, that we have not felt the necessity of doing anything for

1-Railroad Journal, Vol. 23, 103.

ourselves, while our neighbors at the north and at the south of us, are making the greatest exertions to triumph over nature, and to obtain by art those advantages which nature denied them. Railroads are being constructed all around us, while St. Louis is doing nothing, and proposing to do nothing, but relying confidently upon the centrality of her position, her large capital and advanced growth. An English historian has well said that, next to the alphabet and the printing press, those inventions which abridge distance have done most for the civilization of mankind. We may add, truly, that the railroad is the apostle of progress, and I can see no benefit to accrue to us by delay or by masterly inactivity. Yet, I feel profoundly convinced that great good will ensue to us if we act promptly and efficiently for ourselves."<sup>2</sup>

This action was regarded as by far the most important that had yet been made in reference to a railroad to the Pacific. "It is the appropriate and most efficient step," says the Journal, "that St. Louis could have taken to secure to herself the terminus of the great work. It cannot fail to place her in a stronger position than any of her rivals, and to enable her to combat great odds in their favor; and, all things being equal, to carry off the prize of inestimable value."<sup>3</sup> "This is going the right way to work. Let them but once commence and

2-Ibid., 120.

3-Ibid., 120.

means will never be wanting for its continued prosecution. The smart way to obtain aid from Congress in favor of the scheme is to present to the public a work in progress. In such the Government may properly be appealed to for aid."<sup>4</sup> Without a doubt, then, the Pacific Railway Company was organized with the specific objective of enhancing the fortunes of St. Louis as the terminal city.

Final organization of the company did not come until a subsequent meeting, at which time John O'Fallon, Thomas Allen, James H. Lucas, Daniel D. Page, George Collier, James E. Yeatman, Edward Walsh, Luther M. Kennett, and Louis A. La Beaume were chosen as directors of the company. Thereupon, Thomas Allen was elected President, and assumed principal management of the affairs of the road, for which place he was well qualified, and to which he was eminently entitled by reason of his services in promoting the work.<sup>5</sup> And it was Mr. Allen's untiring and ceaseless efforts that made the Pacific Railway a vital factor in railroad construction in the West. It was also at this time that the company was so fortunate in securing as their Chief Engineer, James Kirkwood, late Superintendent of the New York and Erie Railroad. Mr. Kirkwood had established the reputation of a skilled and thoroughly educated engineer, united with great executive ability in the field, and a very extended experience

4-Ibid., 103

5-Ibid., 313.

in his profession. A better selection could not have been made, both for the interests of the road, and for the purpose of imparting to it the confidence of the capitalists in the eastern section of the country.<sup>6</sup>

Surveys were commenced by Mr. Kirkwood May 24, 1850, with the city of Directrix as a base of reference. Mr. Kirkwood's first reconnaissance was to extend as far as Jefferson City.<sup>7</sup> June 29, 1850 the surveying party was ready to embark for Jefferson City to survey the western division from that place to the western border of the state. President Allen accompanied the party in order that he might raise money for the railroad in Jefferson City and Cole County. In fact, the corporate authorities of all the counties along the proposed route were to be called upon, and by the charter of the road, all counties through which the road was to pass were authorized to subscribe. The route was found to be much better than was anticipated, the maximum grade not being over thirty-five or forty feet per mile.<sup>8</sup>

By the 20th of July, 1850, the whole route had been gone over from St. Louis to the western borders of the State, and Mr. Kirkwood reported that the road could be constructed at a very reasonable cost. It was also

6-Ibid.

7-Ibid., 381.

8-Quoted from St. Louis "Intelligence," Ibid., 407.

found that the best feeling prevailed among the people along the route, and that as soon as the road began, they would subscribe liberally. An accurate survey was to begin at once, and it was planned to have fifty to one hundred miles completed by the end of the following year.<sup>9</sup>

## CHAPTER III

## Congressional History of Land Grants.

During the time of these early surveys, Congress had had the proposition in hand, and were debating as to the propriety of granting land for the aid of the project. At the first meeting of the Company in the preceding January, a committee had been appointed to prepare a memorial to Congress. The committee had fulfilled its obligation and in consequence, the memorial was presented to Congress by Congressman Phelps of Missouri, March 15, 1850. It appeared in the Globe as "a memorial of the Pacific Railway Company incorporated by the legislature of the State of Missouri, praying a donation of a portion of the public lands lying along the route of the said road in said State, to aid the construction of a railroad from the city of St. Louis to the western line of the State."<sup>1</sup> However, not until May 28, 1850 did Mr. Phelps give notice of a bill in the House of Representatives. The bill provided for the right of way over the public lands to the Pacific Railway, and for donating land to the State of Missouri to aid in the construction of the road.<sup>2</sup> The bill was referred to the Committee on Public Lands, and

1-Cong. Globe, 1st Sess, 31 Cong., Vol. 21, Pt. I, 538.

2-Ibid., Pt. II, 1097.

there it rested until after the Senate had passed a similar bill.

Senator Atchison, of Missouri, in pursuance of notice, asked and obtained leave, June 27, 1850, to bring in a bill which was practically the same as the House bill. The bill was read the first and second times and then referred to the Senate Committee on Public Lands.<sup>3</sup> August 28, 1850, Senator Felch of Michigan, from the Committee,<sup>4</sup> reported back the bill with slight amendments. September 9, 1850, the bill was ordered to be engrossed for the third time reading. It definitely provided to grant alternate sections of land, six miles on each side of the road, from St. Louis to a point on the western boundary of the State, to be designated by the State legislature. Free transportation of United States troops and mails were the only stipulations.<sup>5</sup> The bill was passed September 13, 1850.<sup>6</sup>

The House bill was reported from the Committee September 17, 1850, by Senator James B. Bowlin of Missouri. The bill was read but no discussion was allowed until after the consideration of business on the Speaker's table. September 24, the bill was again taken up, but was laid on the table by a vote of 102 to 65.<sup>7</sup> An analysis of the note shows that the bill's defeat was

3-Ibid., 1303.

4-Ibid, 1687.

5-Ibid, 1784.

6-Ibid, 1793.

7-Ibid, 1952.

practically sectional,—a division between the East and the West. Ohio, Tennessee, and Kentucky were the only Western states voting against the bill, and Alabama and Mississippi the only eastern states voting for the bill, with the exception of a few scattering votes in Massachusetts, New York and Pennsylvania.

The defeat of the bill was somewhat of a surprise, as only four days previous favorable action had been taken of the projects for aiding the Illinois Central and Mobile and Ohio Companies.<sup>8</sup> The Journal, in commenting upon the defeat, says, "Congress has refused to make a land grant to aid in the construction of the Pacific Railway. The construction of the road would be so much accomplished toward the great line to California and Oregon, and we hoped this consideration would have influence on Congress. However, we understand that the real merits of the case had but little to do with the action on the bill. We hope to see this body in better temper at its next meeting."<sup>9</sup> And, by way of anticipation, such a temper was evident.

The biggest argument for Congressional aid of the railroads was that the whole country would benefit by the construction of internal improvements. The railroads were asking nothing which had not previously been

8-Railroad Journal, Vol. 23, 601.

9-Ibid, 616.



granted. Naturally and rightly, there was opposition to direct aid in money, but the aid sought would benefit the whole country to a vastly greater extent than its amount. Besides, it was contended, unless some such good use was to be made of the public domain, it would be frittered away upon useless and undeserving objects, - political intrigue and corruption, and thus, be lost to the Government.<sup>10</sup>

## CHAPTER IV

## Private and Corporate Finance.

In the final survey of routes of which there were five, three made Jefferson City and Georgetown a common point, and two went by way of Versailles. However, the Missouri River route was thought by Mr. Kirkwood to be the best, - not only from a mechanical standpoint but the aggregate cost also stood in its favor. It was evident, though, that the purpose of the several surveys was to enliven the rivalry between the various sections in order that bids for the road, by way of subscription, might be made higher,- for the paramount problem at this time was the question of finance. The Missouri River route was 240 miles in length with a total cost of about six million dollars.<sup>1</sup> The other routes averaged slightly over 300 miles in length with a total cost of about six and a half million dollars. Also the choice of route would, no doubt, be influenced by the character of traffic which it could command. The only objection to the shorter route was that it would have to compete with the river traffic two-thirds of the year.

Probable income of the road was estimated by the St. Louis "Reveille." The amount of travel on the  
1-Ibid, Vol. 24, 538.

Missouri River transferred to the railroad would yield an income of \$600,000, at four cents per ton. The Total income, including passengers, would net \$810,000. Furthermore, the history of railroad improvements justified the promoters in the conclusion that all these sources of revenue would be quadrupled before the railroad could be completed. If this was true, the first annual income was estimated to be \$3,240,000.<sup>2</sup> Another consideration was the mineral wealth of the State of Missouri. At this time, it was thought that Missouri contained within her limits the most remarkable deposits of iron which were known to exist, and rather extensive works were in operation. At least the proposition was considered a worthy argument for the construction of the road, and was a vital one in the final results.<sup>3</sup>

After the stock subscription books had been opened it was President Allen's ceaseless efforts, as has been mentioned before, that made the building of the road possible. During the summer of 1850 he made a tour through the state on behalf of the Company, and was welcomed heartily.<sup>4</sup> He also received assurances of large subscriptions along the line of the road from various counties, as well as from individuals. In St. Louis alone, \$500,000 was subscribed, and it was thought that

2-Railroad Journal, Vol. 23, 137.

3-Ibid, 70.

4-Ibid, 584.

the total could be increased to a million dollars.<sup>5</sup> In September, 1850, an election was held in St. Louis county, and by a vote of 4,248 to 467 it was decided to subscribe \$100,000 to the project on behalf of the county.

## CHAPTER V

Period of State Aid and Early  
Construction.

Agitation for State aid began early, and culminated in Governor King's message to the general assembly of Missouri on December 30, 1850. In this message Governor King forcibly argued that "our enterprising countrymen, both north and south of us who have an interest in different routes are most laudably engaged in pressing forward their plans, which, if successful, will not only turn into different channels the countless millions of wealth the roads east of us would bring to us, but we shall be deprived, moreover, of being the receptacle of that golden stream of commerce which is at no distant day to flow in upon us from the west. Let it once be seen that we do not intend to aid in this great work and the roads east of Missouri will be made to diverge to points where energy and enterprise have been more successful. The action of our present legislature is to settle the future destiny of Missouri." And, as a result, therefore, of the increasing activity of the times, and in accordance with the recommendation of the governor and the wishes of the best informed and most

1-Million, State Aid to Railways in Missouri, 64.

energetic people of the state, the legislature passed the first act for aid, February 22, 1851. The Pacific Railway was granted two million dollars in bonds of the State. Two conditions were stipulated: first, that the road aided must have a certain bona fide subscription to its capital stock before any bonds of the state would be granted; second, as often as a certain sum was spent by the company in actual construction, the State was to issue its bonds to the company for a like amount to be sold by the company at not less than par. As security to the State for the bonds issued the company was to give the State a first lien on the road.<sup>2</sup>

Mr. Allen, President of the Pacific Railway Company, had submitted a report in the Missouri Senate, January 8, 1851, from the Committee of Internal Improve-<sup>3</sup>ments. In consequence, the situation was favorable for the passage of the bill granting aid. Shortly after, Mr. Allen published his report made to the meeting of the stockholders March 31, 1851.<sup>4</sup> The amount of subscriptions totaled \$1,158,000 and about \$350,000 had to be raised to make the sum \$1,500,000 in order to secure the same amount from the state.

In March, 1851, actual plans for the beginning of operations were completed, and it was decided to put

2-Ibid., 65.

3-Railroad Journal, Vol. 24, 74.

4-Ibid., 265.

forty-five miles of the road under contract. The route west of such a point forty-five miles from St. Louis hadn't been definitely decided upon, but as the surveys were all completed it was thought best to delay further plans until the next Congress should have decided upon the proposed grant of lands in aid of the work.<sup>5</sup>

Actual construction of the road began July 4, 1851. It was a gala day in Missouri, and especially in St. Louis, for it marked the beginning of the construction of the first railroad in the State. To commemorate the event a celebration was planned with the usual ceremonies for the occasion. The ceremony of breaking the ground was preceded by a speech of Thomas Allen. He spoke of the advantage to incur from such an enterprise, the progress of the work thus far, and the reasons for an assured success. He closed with the following elequent strain: "It is with these lights before us and under the circumstances, and with the hopes and prospects I have alluded to, that we have deemed it proper to make a commencement of the work of the construction upon the Pacific Railway. It is for this purpose that we have assembled here today on this 4th of July, 1851, to raise the first spade of earth in graduation of that road. And, though the idea may be deemed remote, yet let us hope that spades put to work may not grow rusty until they have been finally burnished in the graduation of that last

5-Ibid., 197.

6-Ibid., 451.

division of our road, through the golden sands of the Pacific shore."<sup>6</sup>

This was followed by an address by Mr. Edward Bates, the orator of the day, who gave nothing but an oration of a patriotic and eloquent nature. The Governor was detained at home by illness, and in his absence, the Mayor of St. Louis, "amidst loud exclamations from the crowd,"<sup>7</sup> performed the ceremony of the breaking of the ground. Such was the beginning of the Pacific Railway.

July 9, 1851, a committee was appointed by the Board of Directors for the purpose of awarding contracts for the first division of the road. A series of seven contracts were open for bids, and all bidders agreed to take ten per cent in stock in payment of contracts. The total value of the contracts let was \$600,000 which was \$35,000 below the Engineer Kirkwood's estimate.<sup>8</sup>

Immediately Mr. Allen and Mr. Kirkwood went east to purchase iron and equipment for the road.<sup>9</sup> There was no doubt that the work would be pushed forward with vigor, and the road completed at the earliest practicable moment. However, a great many difficulties were met. The work of graduation did not fairly commence until August 2, 1851, and during the next two months cholera among the laborers seriously retarded the progress of the work.

7-Ibid.

8-Ibid., 505.

9-Ibid., 552.



Also, several of the original contractors failed to perform their contracts, due to the increase in the price of labor, and the work had to be re-let.<sup>10</sup> Nevertheless, by the 23rd of December, 5 miles of the road had been completed, reaching Chattenham, and another celebration took place.<sup>11</sup> By spring, all sections of the 37 miles of the first division were in progress, and graduation of several of them was nearly completed. The number of workers constantly employed had been from 800 to 1,000, and orders had been given to call additional forces in order to complete the work within contract time. The first eight miles were to be completed by July 15, and the remainder by September 1. In his annual report to the stockholders, March 29, 1852, Mr. Allen said that rails ordered from London were expected daily. Three locomotives were to arrive in June from Patterson, New Jersey, and all other necessary equipment accordingly contracted for.<sup>12</sup>

January 20, 1852, the first \$50,000 of State bonds had been received. City and county bonds, which before had not had a good market were now beginning to demand a fair premium. Consequently, the financial outlook was brighter than it had been before. Some difficulty was found in the payment of land damages, but that difficulty decreased decidedly after the first four miles.<sup>13</sup> Land values along the route had trebled, and the renewed

10-Railroad Journal, Vol. 25, 242.

11-Mo. Hist. Rev., Vol. VII, 148.

12-Railroad Journal, Vol. 25, 242.

13-Ibid.

spirit of industry and enterprise, and the development of new resources was exceedingly noticeable. The question at this time was that of national aid, for it was thought that after a land grant was secured, there would be no difficulty in pushing on the work to the western line of the State.<sup>14</sup>

## CHAPTER VI

## The Land Grant of 1852.

The Congressmen from Missouri did not lose any time in presenting bills for the aid of the railroad in the first session of the Thirty-Second Congress. It will be remembered that in the preceding Congress, such a bill had been defeated in the House of Representatives. So, Mr. Phelps on the opening of the session gave notice of a bill granting "right of way and making a grant of land to the State of Missouri to aid in the construction of a railroad from St. Louis to the western line of the said State."<sup>1</sup> Consequently, Mr. Phelps introduced his bill December 11.<sup>2</sup> It was read the first and second times and referred to the Committee on Public Lands. Here it remained until on February 12, 1852. Mr. Hall of Missouri, a member of the Committee,<sup>3</sup> reported the bill. It was read and reasons given for its passage, which aroused no little debate, but no action was taken. Thereafter, the bill was debated at length on February 18, 19, 24, and 25, and March 3 and 4.<sup>4</sup> Not until May 3 was it discussed, when at that time the bill was referred to the Committee again for

1-Cong. Globe, 1st Sess, 32 Cong., Vol. 24, Pt. 11,

2-Ibid., 72.

3-Ibid., 544,

4-Ibid., 596, 597, 620, 630, 669, 671.

amendments.<sup>5</sup> May 26, it was reported back to the  
 House.<sup>6</sup> The next day, the amendments were considered,<sup>7</sup>  
 and May 28, the whole bill was passed by a vote of 103  
 to 82.<sup>8</sup> Most of the opposition, as in the former bill,  
 came from Ohio.

In the Senate, Senator Geyer gave notice Decem-  
 ber 3, 1851, of his intention to ask leave to introduce  
 a bill granting public lands to aid in the construction  
 of a railroad from St. Louis to the western limits of the  
 State of Missouri,<sup>9</sup> and the following day introduced the  
 bill.<sup>10</sup> The bill was referred to the Committee on Pub-  
 lic Lands but received no consideration until notice was  
 received May 28, 1852, that the bill had passed in the  
 House.<sup>11</sup> On the last day of the month it was taken up,  
 but as there was no quorum present, final consideration  
 was deferred until June 3, when the bill with the House  
 amendments passed.<sup>12</sup>

The grant as passed provided that the route of  
 the road should be to such a point on the western boundary  
 of the State as might be designated by the State author-  
 ities. The extent of the grant as finally settled was  
 even sections within six miles of the road. The grantee  
 was the State of Missouri, and in turn, the grantee of

5-Ibid., 1235.

6-Ibid., 1485.

7-Ibid., 1491.

8-Ibid., 1504.

9-Ibid., 21.

10-Ibid., 30.

11-Ibid., 1511.

12-Ibid., 1519.

the State was to be the Pacific Railway. The manner of disposal was to be as follows: 120 sections, - a stretch 20 miles in length - could be sold. Thereafter, when the Governor of the State certified to the Secretary of Interior that 20 miles of road were completed, then another like quantity could be sold; and so, from time to time until the road was completed. If not completed in 10 years, no further sales could be made, and the land unsold reverted to the Government of the United States.<sup>13</sup>

It was rather a puzzling question to understand why the federal land grant came to be extended to the southwest corner of the State from St. Louis, when construction of the road at the time of the grant continued directly west to Kansas City. However, the situation arises in this wise: when the terms of the grant became known, the Pacific Railway Company was concerned as to the number of acres of land that could be obtained along the route laid out, and it was found that a great amount of the lands had already been preempted, and that only about 500,000 acres could be secured along the route to Kansas City. Naturally, another course to follow was thought best. As will be remembered, the terms of the act only stipulated that the road was to extend to the point on the western boundary of the State as designated

by the State authorities. Thereupon, in estimating the amount of land, it was found that if the point could be located south of the Osage River, which was in the south west part of the State, over twice as much land could be secured - 1, 161, 164 acres. Consequently, the State authorities were influenced to designate such a point toward which the railroad was to build west, and such a course necessitated the construction of a branch line.<sup>14</sup> But, even omitting the advantage as would be gained from more land, the course was not an impractical one, for here also was a "large section of the state rich in minerals and a considerable part of it fertile in agricultural resources with no facilities for getting to market." The construction of such a road had long been agitated, and its construction would greatly develop and benefit that part of the State. In this we find the genesis of the railroad which is to be known as the South West Branch of the Pacific Railway.

Mr. Million, in his "State Aid to Railways in Missouri,"<sup>15</sup> is suspicious that "this scheme may have been a shrewd method of finding grounds upon which to make a further plea for State aid," thus making a double burden for the State. However, it is practically within the

<sup>14</sup>-Million, 76.

<sup>15</sup>-Ibid.

realm of the impossible to prove the basis of such a suspicion. Also, the State was quite already burdened too much by her increasing debt, and it is not probable that she could have been persuaded to add more to her heavy load.

It was not strange that there was difficulty in the passage of this grant, for at the time, there were before Congress projects with an aggregate total of 9,000 miles.<sup>16</sup> Consequently, it was somewhat of a problem to convince a great many eastern Congressmen that it was necessary to give away the public lands to aid in the construction of an insignificant railroad in Missouri. Yet, there were 26,635,589 acres of public lands in the State, June 30, 1851, according to a report from the Public Land Office,<sup>17</sup> a little over half of the total area of Missouri.

16-Railroad Journal, Vol. 25, 162.

17-Ibid., 515.

## CHAPTER VII

## Influence of George R. Smith.

The story of the Pacific Railway would be incomplete without a chapter regarding Mr. George R. Smith, the founder of Sedalia, Missouri. The part played by him in securing the location and completion of the road was as important as it is interesting, and for that reason will be considered as a whole. The source of the material used in this chapter is to be found in the admirable biography of George R. Smith by Prof. Samuel B. Harding.

The report of the Chief Engineer of the Pacific Railway after the survey of the various routes for the proposed road, favored the river route, while General Smith was an ardent advocate of the inland route. It is at this point that the services of General Smith became<sup>1</sup> of prime importance. For several years prior to the chartering of the Pacific Railway he had been interested in all discussions looking toward railroad building, and as early as October 22, 1850, had corresponded with President Allen urging him to come to Pettis County and address the people. In 1851, he secured the signing of a petition to the Pettis County representative in the state legislature instructing him to support the application of the



Company for State aid.<sup>2</sup> When the question became a contest between the rival sections, General Smith was determined to secure the project which meant the industrial salvation of the inland counties..

The first move was the summoning of a meeting of the citizens of the county at Georgetown in January, 1852, to consider the question of voting a subscription to the road. A \$10,000 subscription was voted down during the first part of the meeting, but due to the "native Kentucky eloquence" of General Smith, in a speech two hours in length, the temper of the meeting was completely changed and a subscription of \$100,000 was voted. This issue was to be finally settled in August, and for seven months General Smith labored for the project with the result that it carried by a majority of nearly five to one.<sup>3</sup> Consequently, the legislature by an act approved December 25, 1852, located the road along the inland route.

During the entire year of 1853, General Smith worked to secure additional subscriptions. "Despite discouragements (he) pressed on with dogged resolution, passing from town to town, from hamlet to hamlet, speaking wherever he could get a handful of people together, and everywhere imparting to his hearers some share of his own enthusiasm."<sup>4</sup> In November, 1853, a convention

2-Ibid.

3-Ibid., 159.

4-Ibid., 169.

was held at Georgetown to finally settle matters and it was found that the subscriptions totaled \$412,000, \$12,000 more than the required amount. Thereupon, November 14, 1853, the Directors of the Company, passed the following resolutions: "Whereas, the counties contiguous to and along the line of the inland route of the Pacific Railway, and the citizens of said counties having in good faith secured to the Company the free right of way and raised the additional subscription of Four Hundred Thousand Dollars, as required by the eleventh article of the act of the legislature approved December 25, 1852, therefore,

"Resolved, that said Pacific Railway west of Jefferson City be and the same is hereby located along the inland route through Jackson County to such termination in Jackson County as shall be hereafter fixed by the Company, in accordance with aforesaid act." <sup>5</sup>

"The importance of this success to the counties of the inland route can scarcely be overestimated. That region was thus assured an outlet through the first railroad constructed west of the Mississippi. They were assured, too, of being in the line of a direct route to the Pacific coast. It is not too much to say that in great part the exceptional prosperity of this section of Missouri is due to the location of the Pacific road on

the inland route. That this was done was chiefly due to the energy, courage, and ability of George R. Smith." <sup>6</sup>

The zeal and success with which he carried through this subscription campaign led the Directors of the Pacific Company in January, 1854, to appoint General Smith as their agent to collect the subscriptions west of Jefferson City. For eighteen months he pursued the work with energy until relieved by the appointment of other agents. <sup>7</sup> During this time he was gradually taken more and more into consultation by the officers of the road and about the middle of 1854 was formally made a member of the Board of Directors. <sup>8</sup>

Also, General Smith was a member of the Missouri legislature during the term of 1855-56. It was at this time that projects were being considered for further aid of the Pacific Railway. Naturally, there was much opposition to the bill: its passage looked doubtful; and Governor Price did veto the measure. Intense excitement was the result, and the bill was finally passed over the veto, 20 to 11, in the Senate, and 67 to 49 in the House. <sup>9</sup> Here again General Smith had worked while others had slept, and had so organized his forces that the bill succeeded.

The brief survey of some of the work of one man throws a little light upon the question regarding

6-Ibid., 174.

7-Ibid., 193.

8-Ibid., 194.

9-Ibid., 206.

the method of financing the proposed project. And, this is but one of the many stories that could be told if material could be gathered from current local newspapers of that time. The local contests for the coveted route of the road necessarily became bitter, and those pioneers who were not yet wealthy, strained all their resources in order that their visions might materialize. It is always thus that pioneers must suffer in the development of a new country, and posterity reaps the harvest sowed by the efforts of these trail-blazers.

## CHAPTER VIII

## Later Period of Construction

In 1853, the number of miles of railroads in the United States had reached a total of 25,343 miles. Of this, 12,029 miles were in progress and 13,315 miles<sup>1</sup> were in actual operation. By this time the West had taken the lead,- Ohio being tied with New York with 3,154 miles each. It is impossible to realize the magnitude of these projects especially since many of the roads in the West were built through sparsely settled communities. However, with the railroads came increased population. It was the railroads which brought the population instead of the population bringing the railroads.

July 19, 1853, the first division of the Pacific Railway, extending from St. Louis to Franklin, a distance of 37 miles, was formally opened.<sup>2</sup> It was made the occasion of a public celebration by the Company, similar to the one held two years previous at the occasion of breaking the ground. The only great difference was that a train with a large number of guests ran through to Franklin where a bountiful entertainment was provided. It had been a strenuous two years, but the fruits of success were plentiful for the time being.

1-Railroad Journal, Vol. 26, 1.

2-Ibid., 511.

The financial report of March 21, 1853 had shown that \$2,800,000 of the \$10,000,000 capital had been subscribed. This was exclusive of stock taken by contractors and of subscriptions for the South West Branch. Fifty per cent had been called in, and had been received. The cost of the first division of 37 miles was in excess of \$269,674 above the first estimates for the road.<sup>3</sup>

The first division had cost approximately \$17,000 per mile, an amount nearly twice as great as first estimated. Since the first division had thus so far exceeded the early estimate concerning it, there was no escape from the conclusion that the second division, from Franklin to Jefferson City, a distance of eighty-eight miles, would also cost more than the original estimate. The estimated total for the cost of the road to Jefferson City was \$6,703,670, or more than the maximum estimate originally assigned for the cost of the whole line to the western boundary of the State. It was at this time that the bonds were sold at a discount, but the cash cost of the road to Jefferson City became \$47,657.<sup>4</sup> This necessitated further aid from the State.

Early in 1852 the people of Washington County, residing in the great mineral region of the State, had applied to the Pacific Railway Company to build a branch

3-Ibid.

4-Million, 83.

to Iron Mountain. At the spring meeting of the Board of Directors, the Pacific Company decided to make surveys for the Iron Mountain road. It was thought by the Directors that it would be to the interest of their stockholders to build the Iron Mountain Branch, as earnings were assured to be worth while.<sup>5</sup> A route extending 100 miles was surveyed, and thought extremely practicable. Thereupon, the people of the county subscribed \$110,000. Upon these facts, the legislature granted a loan of State credit for \$750,000, which by a subsequent act was to be transferred by the Company to the Iron Mountain Company, which was necessarily formed.<sup>6</sup>

"The route of the St. Louis and Iron Mountain Railroad was finally located September 8, 1853: the line extended from St. Louis to Pilot Knob, a distance of eighty-six miles. The work of construction was begun on the north end of the line in the fall of 1853; and at the close of 1855 it was expected that a small portion of the road would be completed in a few months. By an act of February 21, 1851, the state had granted \$1,500,000 of State Bonds to the Company, and the first issue had taken place December 28, 1853. The estimated cost of the road was put at \$4,100,000, and for the amount of work to be accomplished in order to secure a completed road, the resources of this company were more nearly

5-Railroad Journal, Vol. 25, 358.

6-Ibid., Vol. 26, 461.

adequate than those of any other road in the State.

The total resources were \$2,993,300, of which \$1,500,000 were in bonds of the State."<sup>7</sup>

The purpose of giving this brief history of this branch, is in order that a glimpse may be had of the schemes of the Pacific Company for the extension of their system throughout the State. They seemed not to have been satisfied with their original plans, but delved deeper and deeper into debt until extrication was impossible. However, the Iron Mountain Company functioned later as a separate company, yet, as we have seen, it was sponsored by the Pacific Company in the first few years of its existence.

In the spring of 1854, the Pacific Company was very short of funds. Before the road was built settlers had responded readily, but at this time, the farmers, whether near the road or not, were getting higher prices for their products, and did not see the profit of further subscribing to an enterprise which had not come to them as yet. However, in spite of this feeling<sup>8</sup> a great many did respond to the call for funds in 1854,

The route of the South West Branch was finally located November 16, 1853. This route was to extend from Franklin on the main line of the Pacific thirty-seven miles from St. Louis, in a southwesterly direction, descending into the valley of the Gasconade,

7-Million, 88.

8-Ibid., 84.



eighty-nine miles from Franklin; this constituted the first division, Continuing in a southwesterly direction 190 miles from Franklin, it would reach Springfield, the terminus of the second division. Thence, the third division would extend to the western boundary of the State in Newton County, 283 miles from Franklin and 320 miles from St. Louis.<sup>9</sup>

The finances of the road were not in a promising condition when work was first begun on it in June, 1855. The \$500,000 subscription necessary in order to secure the first installment of the State grant was not yet secured, although strenuous efforts had been made to obtain it, both in St. Louis and along the road. The amount subscribed by the counties through which the road was to extend, and by individuals residing in these counties was only \$389,000. The company also had tried without success to negotiate a loan of four million dollars based upon the first-mortgage bonds of this branch and a second mortgage on the main line. The contractors having subscribed \$100,000 and believing that the deficit would be made up, began work June 1, 1855. By October work was in progress along the whole line of the first division; but although a great amount of work had been made to the contractors.<sup>10</sup>

The lands granted to the Pacific Company by Congress amounted to 1,161, 164 acres; of this amount

9-Ibid., 85

10-Ibid., 85

137,000 belonged to the main road, being for the first 37 miles of road between St. Louis and the commencement of the branch road, leaving 1,054,164 acres as belonging to the branch road. By act of the Missouri legislature of December 25, 1852, State credit to aid in the construction of the South West Branch was granted to the amount of one million dollars. Three years later, December 10, 1855, an act was passed which provided that the company should issue bonds to the amount of ten million dollars, for the construction of the South West Branch, secured by mortgage upon the road, and the lands of the road, and also, the State should guarantee three millions of these bonds thus provided for. The act also required that the first division of the road was to be completed within three years, under penalty of forfeiture to the State."

From time to time the bonds authorized under this act were issued, the interest thereon guaranteed by the State, and sold. The Pacific Railway never paid the interest on the bonds and after 1861 the State itself failed to pay the interest until about 1867. Under this state of things the legislature, by an act of February 19, 1866, provided for the sale of the South West Branch and directed the State to take immediate possession of

it and all of its lands covered by the mortgage. The act also provided for the appointment of commissioners to sell the road and other property, and this was done on March 12, 1866 to John C. Fremont, for \$1,300,000. Some months later, General Fremont attempted to float two million dollars of bonds for the purpose of further extending the railway. In advertising the railway and the lands belonging to it, he gave extraordinary values to both; he placed the value of the railway when completed at \$12,000,000, and the 1,054,164 acres of land at \$10,000,000. The advertising was not successful though and no large amount of bonds were sold. Thereupon, General Fremont became convinced that he could never pay out and therefore sold the property for just what he paid for it. The purchasers, however, were unable to pay the purchase price and the road was again taken possession of by the State.<sup>12</sup> Thereupon, the property was again sold under the provisions of another act approved March 17, 1868, to the Pacific Railroad Company, a corporation created by that act.

October 25, 1870, the South Pacific Railroad was consolidated with the Atlantic and Pacific Railroad Company.<sup>13</sup> This latter company was chartered by the United States Congress July 27, 1866, which authorized<sup>14</sup> the construction of a railroad from Springfield, Missouri, and Fort Smith, Arkansas, to the Pacific Ocean

12-Million, 168

13-Poor's Manual IV, 424.

14-14 Statutes, 292.

upon the thirty-second parallel route. Alternate sections of public lands for twenty miles on each side of the road were granted, which was estimated at 17,000,000 acres. The South Pacific Railroad was to form the first link in the Atlantic and Pacific's route to the Pacific.<sup>15</sup> The separation of the South West Branch was, therefore, completed.

The work on the main line of the Pacific Railway had progressed so that by 1857, Jefferson City<sup>16</sup> had been reached,--a distance of 125 miles from St. Louis. The earnings of the road at that time were reported to be \$668,000. West of Jefferson City the work had not progressed as rapidly as was anticipated. In March, 1858, only 22 miles of track had been laid, and this delay was due to the financial embarrassments of the Company. The annual report presented to the stockholders March 20, 1858, says: "The work yet to be done is light in comparison with that already built, and with ready means could all be constructed in eighteen months or two years. How the necessary means are to be raised is not known at the present time, but until such time as the money is raised, we do not think that it is prudent to attempt to press the work beyond the money collected on subscriptions, believing it better to go slow<sup>17</sup> than to involve the company."

15-Poor's Manual II, 32.

16-Ibid., I, 180.

17-Railroad Journal, Vol. 31, 233.

December 24, 1858, 163 miles of the road, from St. Louis to Tipton, had been completed, leaving 119 miles uncompleted. Of this last, 12 miles were in progress west of Tipton, and soon to be completed.<sup>18</sup>

From this time on the work progressed slowly but surely, 1860 saw the completion of 174 miles; 1861, 189 miles; 1863, 194 miles; and 1864, 214 miles.<sup>19</sup>

In October, 1865, the whole road to Kansas City was completed, 283.74 miles. During the war great difficulty was experienced in prosecuting the work of construction, but the road was completely opened to the State line in April, 1866.

18-Railroad Journal, Vol. 32, 232.

19-Poor's Manual, I, 180.

## CHAPTER IX

Organization of the  
Missouri Pacific Railway Company

Due to the prostration of the country incident to the war, and to the inability of the Company to develop the earning abilities of the road, the Pacific Company had become financially embarrassed, and was unable to pay the interest accruing on the State loans, and could give no security for additional funds wherewith to equip and reconstruct the property. During the session of the State legislature of 1867, bills had been introduced which seemed to indicate that the legislature would dispose of the road for the sum of four million dollars. This fact was of interest to the owners of the road for it led them to believe that for a sum of about this amount they could secure a release from the lien held by the State. However, the Union Pacific Railway Company had offered \$10,450,000 for the road, according to a letter which appeared in the St. Louis "Democrat" of March 23, 1867. According to this letter they agreed to pay the following amounts:

First mortgage bonds	\$1,500,000
To State of Missouri	4,000,000
For repairs	1,500,000
Debt of St. Louis County	700,000
To stockholders at 50 per cent. on their stock in	
U. P. stock	<u>1,750,000</u>
	\$ 10,450,000

Mr. Branscomb, the chairman of the House Committee on Internal Improvements, had been anxious to sell the road for this price, and offered some good reasons for such a course.

It was during this time, though, that the stockholders of the company became greatly alarmed lest the road would be sold to capitalists foreign to the State and they, thus, be left holding an empty bag. If the road was to be sold at a bargain the stockholders felt as if they ought to have the first chance at it.<sup>2</sup> But, the session of 1867 adjourned without action on any of the worthy offers. However, the idea that the State should release herself from all her railway enterprises was in the air, and it was a foregone conclusion that the Pacific Railway would be disposed of during the session of 1868. Consequently, very soon after the session

1-Million, 174.

2-Ibid., 175.

convened, a committee was appointed to investigate the books and accounts of the Company, so as to find out what the value of the road was. This committee made a thorough and elaborate report, which conclusively showed that if based upon its earning capacity, the value of the road far exceeded the four million dollars asked for it by the bill introduced in 1867. The debt of the Company was now \$14,383,493, but the net earnings of the Company for 1867 was \$850,789, which was more than enough to pay the interest. The business of the Pacific Railway had steadily grown from the beginning, and after the completion to Kansas City had made rapid strides. The gross earnings for 1853 had been \$41,323, and for 1867,  
<sup>3</sup>  
 \$2,807,992.

There was, however, one item of expense which the company must incur; the gauge of the road must be changed. The original gauge had been 5 feet 6 inches, but it was deemed advisable to change the gauge to correspond with other railroads with which there existed intimate business relations, and at the same time improve the terminal facilities at St. Louis. The standard gauge was 4 feet 8½ inches. The investigating committee, however, estimated that this could be done for \$390,000. In concluding the report the committee said, "Making a liberal allowance for change of gauge and other expenses to place the road in good condition, your committee is



of the opinion that eight millions is the minimum sum for which the State ought to dispose of its interest in the Pacific Railway.<sup>4</sup>

However, as has been said, the disposition of the railroad at this session of 1868 was a foregone conclusion. Early in the session the House and Senate passed concurrent resolutions for the seizure and sale of the Pacific Railway; preliminary acts were introduced in the House in January, and in the Senate early in February for disposing of the road; and the House Bill which eventually became a law was introduced February 3.<sup>5</sup> It soon developed that in the opinion of the House the Pacific Railway was worth about six million dollars. In the Senate the estimates hovered around four and four and a half million dollars. The discussion dragged on for weeks and the railway company sent its ablest lobbyists to the legislature. Legal obstacles arose and thereupon further discussion was necessitated. Mr. Million is of the opinion "that both House and Senate should have put the estimate so low after the joint committee, as we have seen, had said in its report that \$8,350,000 was the minimum sum for which the State ought to dispose of its interests in the Pacific Railway, cannot be explained in any way except by the fact that the legislature was under the influence of King Boodle, who was present at Jefferson

4-Ibid., 177.

5-Ibid., 180.

City at this time in the form of a special committee<sup>6</sup> sent thither by the directors of the Pacific Railroad." The bill disposing of the road introduced February 3, 1868, became a law March 31. The act provided for the sale of the road directly to the Pacific Railway Company for the sum of five million dollars in cash in Missouri State bonds, on condition that the Company would pay \$350,000 into the treasury within ninety days, and the remainder within ninety days thereafter. Thus by this act the State released the Pacific Railway Company from indebtedness to the amount of \$11,033,644.<sup>7</sup>

"The passage of the bill," says Million, "releasing the lien of the State was secured by a falsifying mercenary committee from legislators, the majority of whom were as venal as the committee was mercenary. It seems that for a given price the legislators were willing at the behest of boodlers to mount into the vehicle of dishonor and be driven unheedingly over the prostrate reviving form of State Credit. Such being the character of the trusted representatives of the people, the alternative of State control of railways for a longer or shorter term in preference to disposing of them for even a pittance, becomes a most questionable one."<sup>8</sup>

As far as the State was concerned, the railway was disposed of. By way of summary, two purposes

6-Ibid.

7-Ibid.

8-Ibid., 186.

can be given for their disposal: first, to reduce the indebtedness of the State, and secondly, to secure as far as possible the extension of the railway to its completion. The first object, the reduction of the State indebtedness, was affected in only a slight degree. The second object, the extension of the railway, may be said to have been accomplished.

In consequence of the foregoing legislation, it is not surprising that certain "charges and reports concerning bribery and corruption" were floating about during the month of March, 1868, at the capital of Missouri, and during the morning session of March 23, both Houses appointed committees to investigate these charges and reports concerning bribery and corruption. These committees were to work jointly and were required by the legislature to report on the following day, as if the work of months could be investigated in a few hours. Thus, the investigation during the afternoon and evening of March 23, because of insufficient time devoted to the matter, cannot be regarded as anything but farcical. Consequently, the committee was "unable to obtain one word of evidence that any member of the General Assembly had received or indicated a willingness to receive, directly or indirectly, a single dollar, or any valuable consideration or inducement to support or oppose the

railroad bill, or that any person had used or been authorized to use any money to secure the vote of any Senator or member of the House."<sup>10</sup>

The State lien being thus released, the Pacific Railway Company was enabled to issue bonds secured by a first mortgage on the property, and with the proceeds obtained, funds adequate for placing the road and equipment in first class condition. It also saved the road from loss by the stockholders for the time being. Funds for changing the gauge of the road, heretofore mentioned, were obtained by an issue of second mortgage bonds.

Due to the fact of its being first on the ground, the Pacific Railway had the best access to the city of St. Louis. Consequently, the Atlantic and Pacific, which will be remembered as the successor to the South West Branch of the Pacific Railway, and the Missouri, Kansas, and Texas Company, both obtained right of way over the Pacific Railroad into the city, and thus, either company was in a position of being compelled to build an independent line into St. Louis or abandon competition for through traffic. Early in 1872, it was imagined that the Missouri, Kansas, and Texas Company would lease the Pacific Railway of Missouri and such a step would have been justifiable, in view of the necessity for having direct access to the St. Louis, as well as the Chicago markets; but the actual control of the road was of more importance to the Atlantic and Pacific

Company. Thereupon, negotiations were entered upon, and June 29, 1872, a lease of the main line of the Pacific Railway from Kansas City to St. Louis and all of its leased roads, was signed by the Atlantic and Pacific Company for a period of 999 years. By the terms of this lease, the Atlantic and Pacific Railroad Company agreed to assume all the obligations of the Pacific Company in the shape of funded debt and contracts with other railroad companies; also to pay a dividend on \$7,000,000 capital stock at the rate of 5 per cent for the first three years, 6 per cent for the following two years, and 7 per cent annually thereafter. These dividends were to be payable quarterly.

The Atlantic and Pacific Company seemed to have hitched their aspirations to a star, for at the same time of the above transaction negotiations were in progress to connect the road with that of the Southern Pacific in California. Land sales from the huge grant of the Atlantic and Pacific Company were averaging \$45,000 per month, and encouraged by this progress and anxious for an outlet to the Pacific Coast, a delegation of Missouri citizens went to San Francisco, - arriving April 26, 1872, - to devise means for building a road between the two cities. The visitors consulted with the San Francisco Committee of One Hundred, an influential commercial club of that city. May 6, at a public conference, the Committee of One Hundred resolved to ally

11-American Railroad Manual, 1873, 501.

with the Atlantic and Pacific Company and take \$15,000,000 of the stock in that company, which arrangement would also give San Francisco several members on the Directorate.<sup>12</sup> Before coming to the final conclusion, however, the San Francisco Committee decided to send a commission of three members back to St. Louis with the returning delegation to investigate more closely the affairs of the Atlantic and Pacific Company. A contract was made whereby the San Francisco people were given six months in which to give their final acceptance or rejection of the general plan. However, this scheme was side-tracked because of the diverse plans of the Committee of One Hundred. The land grant did not prove satisfactory to some; support of the Texas and Pacific road, a newly incorporated road with a terminus at San Diego, appealed to others; while a majority favored building a road that should be controlled entirely by California capitalists.

Nevertheless, the Atlantic and Pacific Company continued its expansion. It arranged to purchase \$1,000,000 worth of new rolling stock to take care of its growing and enlarged business; and while the panic of 1873 virtually stopped all building progress, much was done to improve the general standard of the property. But it took large outlays to make these improvements, and by the close of June, 1875, the Atlantic and Pacific

12-Bradley, Story of the Santa Fe, 212.

13-Ibid., 213.

expended over \$300,000 in making surveys. The outcome of the situation was serious financial trouble that wrecked the combination. On July, 1875, the original Pacific Company defaulted the interest on \$700,000 of its bonds, which had been issued in February, 1865, went into involuntary bankruptcy and was placed in the hands of the receiver, at about the same time the Atlantic and Pacific Company defaulted the interest on its own bonds, It claimed that it had been operating the Pacific Railway at a heavy loss due to the large sums needed for the development of the property, and now proposed issuing as a matter of expediency a new third mortgage of \$1,854,000. St. Louis County then brought action in the United States Circuit Court to foreclose a second mortgage on the property of the Atlantic and Pacific in which the country had invested money, and on April 3, 1876, the court ordered the Pacific, and the Atlantic and Pacific railroads separated and appointed receivers for each property.<sup>14</sup>

According to the provisions of the lease, the third mortgage, dated July 10, 1875, and bonds secured thereby to the amount of \$4,000,000, were executed by the Pacific Railway. However, owing to the default in the payment of interest of the bonds, foreclosure proceedings under the mortgage were begun against the Pacific Railway Company by George E. Ketchum in the United States Circuit Court. In consequence, a decree of foreclosure and sale

was rendered June 6, 1876, and the road and its property were sold by Seymour D. Thompson, Master in Chancery, on September 6, 1876. James Baker was the purchaser of the road for \$3,000,000, and the sale was duly confirmed by order of the Court, and the Master ordered to make and deliver a deed to Mr. Baker conveying the railroad and property to him. This deed was made October 23, 1876.

In the meantime, plans were made for the organization of a company to take over the Pacific Company's property. Finally, the Missouri Pacific Railway Company was organized by articles of association filed in the office of the Secretary of the State of Missouri, October 20, 1876, "for the purpose of purchasing and acquiring the railroad and property lately owned by the Pacific Railway and purchased at a foreclosure sale by James Baker." The deed conveying this property to the Missouri Pacific Company was made October 24, 1876, and with this the genesis of the subject of this paper is complete.

There are several sequels to the story relative to the roads mentioned in the course of this paper, and a few of the events will be given. The first is the story of the Atlantic Pacific Railroad. The line of this road extended from Pacific (formerly Franklin) Missouri, to Vinita, Indian Country, and since Congress had not made arrangements for organizing and colonizing



the Indian Country, it had not seemed wise to extend the line west of Vinita. June 7, 1876, the Circuit Court entered a decree of foreclosure, and instructed the receivers to sell the road. Prompted by a desire to protect their investments, a small meeting of the Atlantic and Pacific bondholders met in New York and decided to reorganize the property after the foreclosure. Accordingly, a committee was appointed to buy the road for the benefit of the bondholders and form another company. This action led to the organization on September 11, 1876, of a new corporation, the St. Louis and San Francisco Company. This company became known as the "Frisco." The property had been sold in foreclosure on September 8 for \$450,000, the purchase being made by W. F. Buckley, who represented the controlling financial interests.<sup>15</sup> He also acquired the land grant for \$50,000 which was sold separately in the same foreclosure. Thus from the old Atlantic and Pacific Company, which was largely the old South West Branch of the Pacific Railway, there evolved the St. Louis and San Francisco Railroad Company.

It is interesting to note that during the entire history of the road, from the original Pacific Railway, the paramount objective remained the same, - an outlet to the Pacific. The final chapter of the story is

a continuation of this idea, in that on December 6, 1879, the Frisco Company agreed with the Santa Fe Company to cooperate for the building of a line over the "parallel route" to California. January 31, 1880, this agreement was consummated.<sup>16</sup> By it the Santa Fe Company acquired without cost, one-half of the capital stock and a joint and equal control of a new Atlantic and Pacific Company which was a mere figurehead under which the two companies united to construct a road thru New Mexico and Arizona in order to complete the chain to the Pacific. Both the Santa Fe and the Frisco were to convey their shares to three trustees who were to hold and manage them in common interest.

Two years later, in January, 1882, a new combination enters. At this time, Collis P. Huntington, who dominated the Southern Pacific Railroad, and Jay Gould, who was President of the Texas and Pacific Railroad, gained a controlling interest in the Frisco company through heavy purchase of its stock.<sup>17</sup> These purchases were made to keep the Atlantic and Pacific out of California. Gould and Huntington consequently gained places on the directorate of the Atlantic and Pacific Company, which was extremely embarrassing to the Santa Fe, who had gone to the trouble and expense of organizing and building the Atlantic and Pacific. Thereupon, Huntington

16-Ibid., 216.

17-Ibid., 222.

induced President Strong of the Santa Fe to submit to a compromise agreement that for a time would keep the Santa Fe from entering California. However, the latter acquired a Pacific port at Guaymas, Mexico, and "the long sought outlet to the ocean had at last been won."<sup>18</sup>

## CHAPTER X

### Conclusion .

The purpose of this paper has been to give an accurate account of those factors which influenced the early construction of the railroad which in turn influenced those great transcontinental systems that are today the life of our great country. It has been seen that throughout the history of the Missouri Pacific, the objective was unfailingly an outlet to the Pacific. Even in the earliest stages of construction the prime motive was that of securing St. Louis as the terminus of such a line. And, the most influential factor at this time was the rivalry of the three cities, Memphis, Chicago and St. Louis. Coupled with this rivalry was the St. Louis Convention and Stephen A. Douglas' speech, which stirred the Missourians to action.

Later years saw the emphasis changed, after the failure of the first objective, to one of final consummation of the project to the Pacific. It is true that there were new railroads which soon surpassed the Missouri Pacific, due largely to the fact of their securing more substantial and more liberal aid nationally. Nevertheless, it is left for the Missouri Pacific to receive the credit for breaking through the ice of

national and local prejudice, for being the pioneer in a work whose influence cannot be measured by any sort of criterion.

A study of this sort can scarcely be more than a capitulation of the more important facts in the history of a great movement. Yet, it is hoped that the facts have been sufficient to give adequate grounds for a fuller understanding and a more accurate interpretation of the Missouri Pacific Railroad, and an insight into the way our present transcontinental systems were conceived and constructed. The railroads and their influence upon our national history have not been given their proper place in years past. It remains for the historians of today and of tomorrow to reshape our history, taking into account that heretofore neglected determining factor,- the railroads of our country.

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